GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:315
ANSWERED ON:23.03.2017
Foreign Investment in Domestic Airlines
Tadas Shri Ramdas Chandrabhanji

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the salient features of the Government''s policy with regard to permitting foreign airlines to operate and invest in India;

(b) whether the Government has examined the proposal to allow foreign airlines to invest in domestic airlines;

(c) if so, the details thereof and if not,the reasons therefor;

(d) whether allowing investment of foreign airlines is likely to be a threat/ disincentive to the Air India; and

(e) if so, the details thereof and the reaction of the Government thereto?

Answer

Minister of CIVIL AVIATION

(Shri Ashok Gajapathi Raju Pusapati)

(a) to (e): A Statement is laid on the table of the House.

Statement in respect of Lok Sabha Starred (*) Question No. 315 dated 23.03.2017 regarding Foreign Investment in Domestic Airlines.; (a) to (c): As per the extant FDI policy, Foreign airlines are allowed to participate in the equity of companies operating Cargo airlines, helicopter and seaplane services, as per the specified limits and entry routes. Further, Foreign airlines are also allowed to invest in the capital of Indian companies, operating scheduled air transport services, up to the limit of 49% of their paid-up capital through Government route. Moreover, FDI policy as contained in the "Consolidated FDI Policy Circular of 2016", as amended from time to time, is subject to the conditions of the extant policy on specified sectors and applicable laws/ regulations security and other conditionalities. Accordingly FDI policy on Civil Aviation sector is also subject to sectoral and security conditions. However, the Government has not received any proposal recently from any foreign airline for investment in Indian carriers.; ; (d) and (e):Air India regularly reviews the impact of such tie-ups and accordingly re-engineers its fleet planning, route network and other commercial decisions.